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Livestock and Wool

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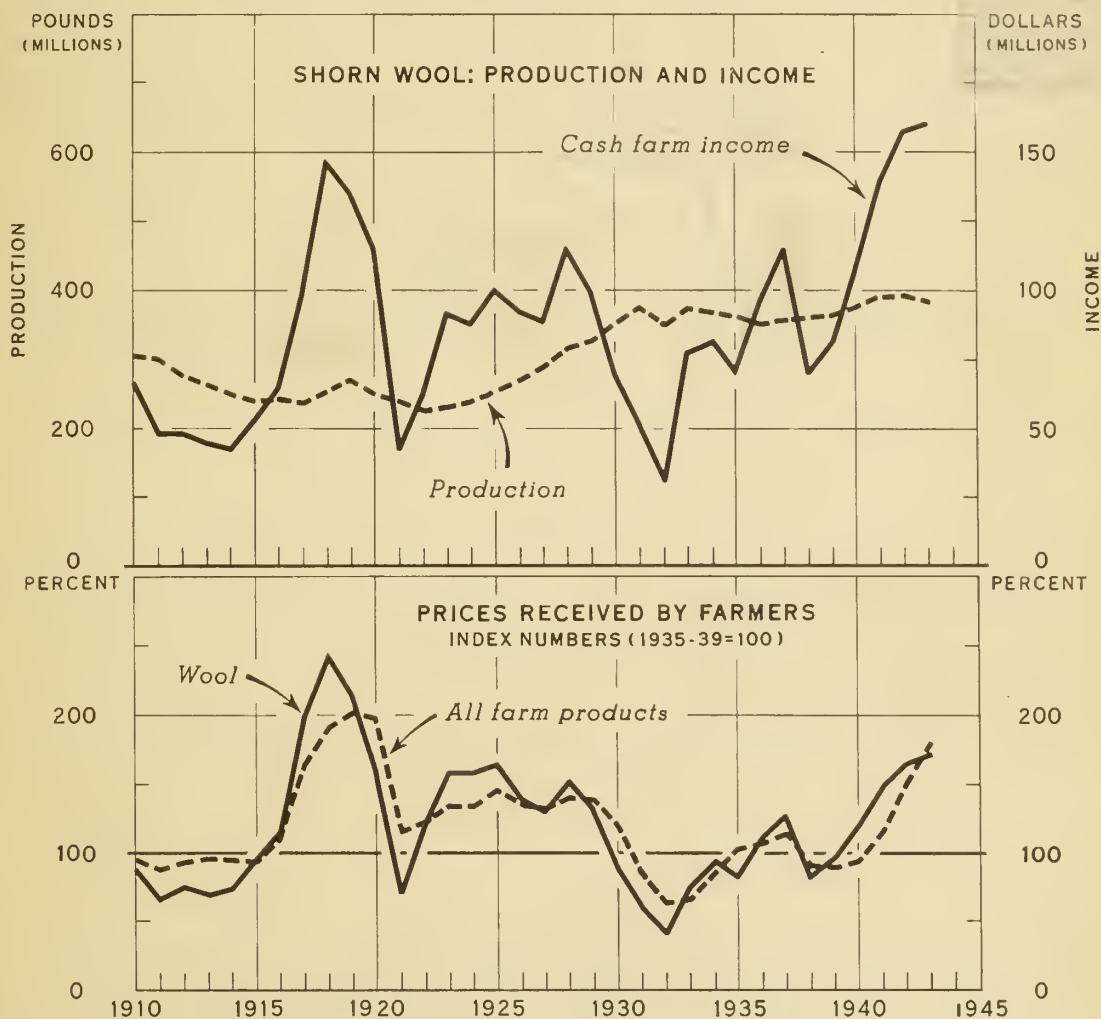
BUREAU OF AGRICULTURAL ECONOMICS
A UNITED STATES DEPARTMENT OF AGRICULTURE

LWS-23

BAE

MARCH 1944

WOOL PRODUCTION, CASH FARM INCOME, AND PRICES RECEIVED BY FARMERS FOR WOOL AND FOR ALL FARM PRODUCTS, UNITED STATES, 1910-43



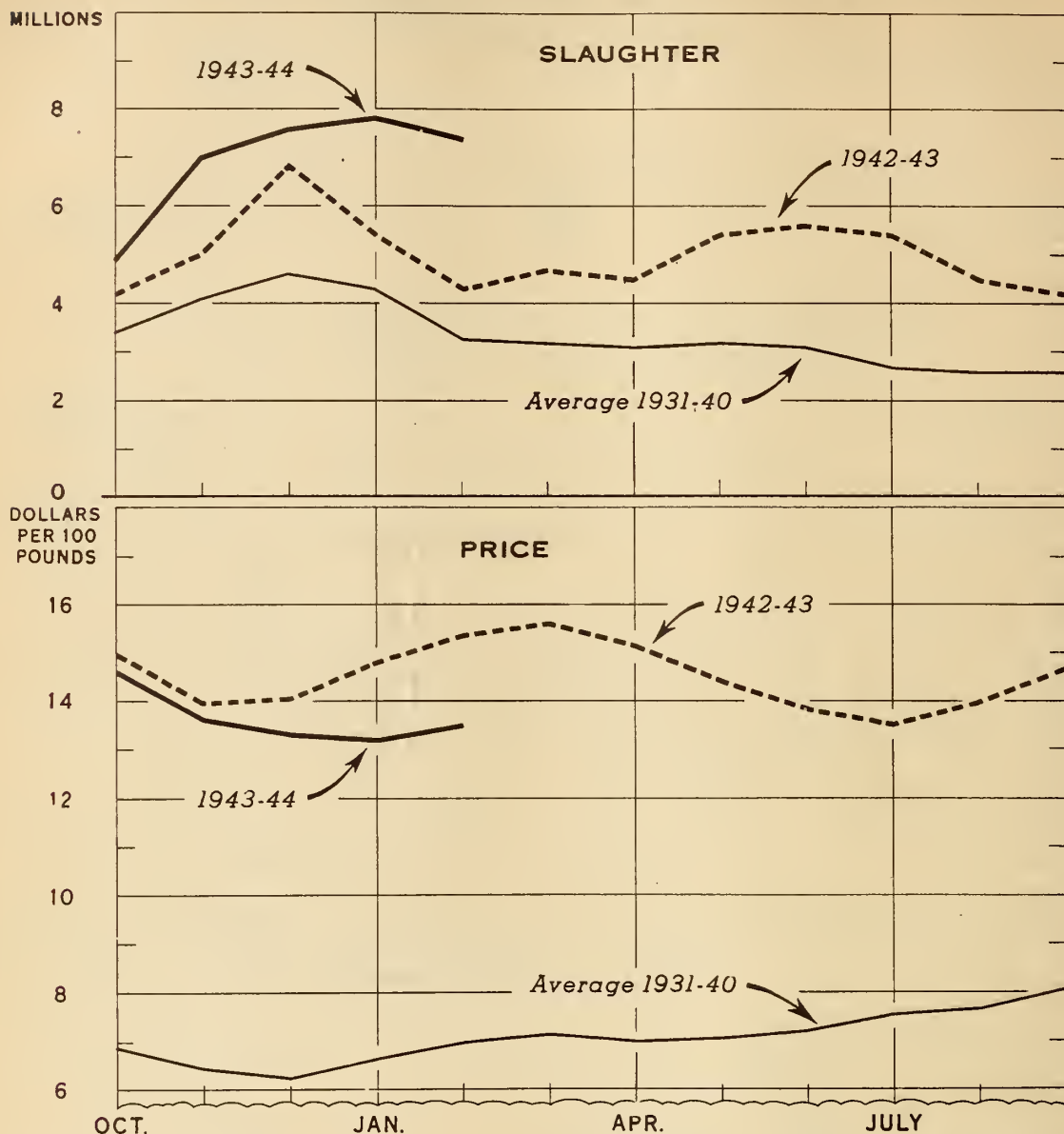
U. S. DEPARTMENT OF AGRICULTURE

NEC 43524

BUREAU OF AGRICULTURAL ECONOMICS

Cash farm income from shorn wool in 1943, totaling 160 million dollars, was the largest on record. A higher price for wool more than offset the decline from 1942 in the quantity produced. The percentage increase in wool prices in 1943, however, was smaller than the increase in prices of all farm products.

HOGS: INSPECTED SLAUGHTER, UNITED STATES. AND PRICE OF PACKER AND SHIPPER PURCHASES AT CHICAGO, 1931-40 AVERAGE AND 1942-44



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FIGURE 1

MARCH 1944

The peak slaughter month for hogs, which usually occurs in December was reached in January in this marketing year. Hog slaughter is expected to be materially greater this year than last through September. Slaughter in the last 3 months of 1944 will depend primarily upon the size of the 1944 spring pig crop, which is indicated to be materially smaller than the record size crop of last year.

The large volume of hog marketings during the past winter caused hog prices to drop to the support level. Butcher hog prices at Chicago were at the support level from early November to mid-February. Since that time hog prices have continued to improve.

L I V E S T O C K A N D W O O L S I T U A T I O N

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Summary

Meat production will continue at a heavier rate than last year through the first 9 months of 1944. Total output of meat will decline seasonally in the second and third quarters of the year from the record production of the first quarter. In April-September, however, more pork, beef, and veal will probably be produced than in the same period in 1943. Lamb and mutton production is expected to be lower.

The volume of hog marketings in both the second and third quarters of 1944 will be reduced from the heavy marketings of hogs in the first quarter. However, slaughter in each of the first 3 quarters of 1944 is expected to exceed that of 1943. January-March slaughter of hogs was very large, reflecting the record size of the 1943 spring pig crop. The fall pig crop last year, although smaller than the spring crop, also was a record, and hogs from that crop will be marketed from late April through September.

Total cattle and calf slaughter in the first quarter of 1944 by slaughterers of all classes apparently has been 15 to 20 percent greater than during the first 3 months of 1943. Slaughter of cattle and calves probably will continue above the 1943 level through the summer at least, reflecting the larger numbers now on farms and the removal of most of the

price and rationing uncertainties which tended to keep cattle and calf marketings at a comparatively low level during the first 9 months of 1943. The early spring lamb crop is usually about 15 to 20 percent of the annual lamb crop and is largely marketed in May and June. With 7 percent fewer breeding ewes on farms on January 1, 1944 than a year earlier and with a number of lambs saved per 100 ewes about equal to the 10-year average, the total United States crop (combined early and late) would be 4 to 5 percent less this year than last.

For the first time since early November, prices of butcher hogs rose from the support level at all principal markets in mid-February. Prices of lightweight hogs and of sows of all weights also have strengthened. A continued rise in hog prices is in prospect in April as slaughter declines seasonally.

Cattle feeding margins during the feeding season 1943-44 have been materially decreased from those of the past 2 years by increased corn and hay prices. Net returns over feed costs during this feeding year, however, are about equal to the average for the years 1931-40. Cattle slaughterers who slaughter over 51 head of cattle a week, producing carcasses that meet Army purchase specifications, must qualify for Federal inspection on their cattle-slaughtering operations on April 1, 1944; and they will be required to reserve specified percentages of their slaughter for Government purchase. Inspection, however, will be necessary only on the beef required to be set aside.

World production of wool has been maintained at a relatively high level during the war years. World consumption has been sharply curtailed because important consuming countries in continental Europe and Japan have been unable to obtain wool supplies from the Southern Hemisphere. Carry-in

stocks of wool in five Southern Hemisphere countries totaled about 1.8 billion pounds (grease basis) at the beginning of the 1943-44 season, compared with the pre-war average (1934-38) of about 200 million pounds. About three-fourths of the 1943-44 carry-in was owned by the British Government, which will purchase the entire production of Australia, New Zealand, and South Africa during the war and one wool year thereafter. In addition, nearly 785 million pounds of foreign wools owned by the British and United States Governments were held in the United States on January 1, 1944. A further supply of 171 million pounds of the 1943 domestic clip was held on that date by Commodity Credit Corporation. Wool stocks in all hands in the United States are now about 1.3 billion pounds. Of this 450 million belongs to the British Government and is stored in bond. Wool stocks in the United States and the Southern Hemisphere at the beginning of the 1944-45 selling season are likely to be large, totaling about twice as much as after World War I in all positions.

-- March 18, 1944

OUTLOOK

Meat Output to Decline Seasonally but
Will be Larger Than Last Year
Through September

Meat output is expected to continue at a heavier rate than last year through the first 9 months of 1944. However, supplies will decrease seasonally this spring and summer. More pork, beef, and veal probably will be produced during April-September this year than last. Output of lamb and mutton may be less, but this would have only a small effect on total meat production.

Hog slaughter in the first 3 months of 1944 has broken all previous records for the period. A seasonally smaller but nevertheless heavy slaughter is in prospect through September when the balance of the 1943 spring pig crop and the 1943 fall pig crop will be marketed. Most of the hog slaughter in the last 3 months of 1944 will come from this year's spring pig crop. According to December 1, 1943 farmers' intentions to breed, a reduction in the spring pig crop of about 16 percent from last year's record level was indicated.

Total cattle and calf slaughter under Federal inspection in January was 27 percent above slaughter a year earlier. In February it was 25 percent above. Indications are that March slaughter will be higher than in March 1943. Total slaughter of cattle and calves by inspected and noninspected slaughterers and farmers in the first 3 months of 1944 apparently has been 15 to 20 percent greater than in the first 3 months of 1943. Noninspected slaughter increased materially in 1943 but probably will not show such a marked gain this year. Inspected cattle and calf slaughter in the first 9 months of 1943 was comparatively small in relation to numbers on farms, reflecting the uncertainties of cattle producers as to the effect of price and rationing programs. These uncertainties have been largely removed, and inspected slaughter of cattle and calves is expected to continue greater than last year at least through the summer. However, in the last quarter of 1943 cattle and calf slaughter was large, and probably will continue relatively large, during the last quarter of 1944.

Sheep numbers on January 1, 1944 were down 7 percent from the same date in 1943. Indications are that this year's early lamb crop will be about 6 percent less than last. Slaughter of mature sheep was very great during 1943. Rather heavy slaughter of ewes took place in January and February, but such slaughter is not expected to continue as large this year as last.

Hog Prices Rise Above Support Levels

Hog prices rose above support levels in mid-February and have continued to advance in recent weeks. During the week of February 14-19 prices of butcher hogs were higher than the support price of \$13.75 at Chicago for the first time since November 9, 1943. The price advance was greater on butcher hogs above and below the support-price range and on packing sows. This brought prices of lightweight hogs and sows into a more normal relationship with the price of butcher hogs within the support-price range. With seasonally declining supplies of meat and very strong meat demands, it is expected that prices will continue to advance in April.

Hog Slaughter Will Decline in April-September

Hog slaughter in the second and third quarters of 1944 is expected to be materially reduced from the heavy slaughter of the first quarter of the year. But hog slaughter for each of the first three quarters of 1944 probably will exceed that of the same period in 1943. The hog-marketing pattern has been much different this year than is usual. The period of largest weekly hog slaughter was recorded in January instead of in December and slaughter in the January-March quarter was greater than in the October-December quarter. Slaughter of hogs in February was 70 percent greater than in February 1943. March slaughter also has been unusually heavy. Slaughter in April will be decreased from that of March. The volume of hog marketings may increase in May and June when hogs from the fall pig crop are ready for market. The 1943 fall pig crop of 47.8 million head was 10 percent greater than the previous record crop in the fall of 1942, so that supplies of hogs for slaughter in May-July, when marketings of the fall pig crop are usually heaviest, will be greater than for the same period last year.

Cattle Feeders' Margins Over Feed Costs
in 1943-44 Decreased From
Previous 2 Years

Increased hay and corn prices in the fall and winter of 1943-44 have materially decreased the net return over feed costs from cattle feeding as compared with the returns of the previous 2 feeding years (table 1). However, the return over feed costs for this feeding year for 700-pound feeder steers fed out to Good slaughter grade is indicated to be greater than average for the feeding seasons 1931-40. The market price for fed steers in April and May will be a big factor affecting the outcome of feeding operations this year. Good grade steers at Chicago sold out of first hands averaged \$15.25 for the week ended March 18, about 50 cents less than the average price paid for similar steers in March-May, 1943. It is unlikely that there will be a general price decline in the price of cattle of this grade in April and May, and there might be slight price advances. Feeders who bought feeder steers in September-November 1943 probably paid about 65 cents less on the average than during the same period in 1942.

A similar analysis of the returns over feed costs of 800-900 pound feeder steers purchased in September-November and sold as Prime and Choice grades in March-May also shows that the return over feed costs, feeding these heavier feeder steers to these higher grades, during this feeding season was also considerably lower than in the previous 2 years.

Table 1.- Indicated return over feed cost for feeding
 Corn Belt steers, specified periods

Item	1931-32	to	1941-42	1942-43	1943-44
	1940-41	1940-41	1941-42	1942-43	1943-44
	average				
	Dollars	Dollars	Dollars	Dollars	Dollars
	Prices per unit				
Average price per 100 pounds for Good grade beef steers sold out of first hands, Chicago, March-May	9.03	13.50	15.81	1/	15.29
Average cost of feeder steers at Kansas City per 100 pounds, September-November:	6.22	9.62	12.03		11.38
Average farm price per bushel of corn, North Central States, September-April . .	.522	.688	.814	2/	1.021
Average farm price per ton of alfalfa hay, North Central States, September-April	9.70	9.20	9.61	2/	14.60
	Total Value				
Market value at Chicago of Good grade beef steers, market weight (1,050 pounds)	94.82	141.75	166.00		160.54
Market cost at Kansas City of 700 pound feeder steers	43.54	67.34	84.21		79.66
Market value of fed steer minus market cost of feeder steer	51.28	74.41	81.79		80.88
Cost of 50 bushels of corn	26.10	34.40	40.70		51.05
Cost of 0.5 ton hay	4.85	4.60	4.80		7.30
Return over feed costs	20.33	35.41	36.29		22.53

1/ Average February 28 to March 18. 2/ Average prices September to February.

MARCH 1944

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Early Spring Lamb Crop Smaller
Than Last Year

The number of early lambs produced in the principal early lamb States 1/ will be about 6 percent less this year than last, and will be the smallest number in at least 8 years. The reduction this year from last will be the result of fewer breeding ewes in these States, as the number of lambs saved per 100 ewes was larger than a year ago. Fewer lambs will probably be marketed before July 1, but this may be offset by a larger movement of yearlings and wethers from Texas.

A smaller proportion than usual of the spring lambs from the Pacific Coast States will be marketed at eastern markets this year. Ceiling prices on lamb carcasses at Midwestern markets are lower than those at Pacific Coast markets, consequently if lamb is selling at ceilings there is no incentive for West Coast producers to ship their lambs to eastern markets. Also population increases and increased industrial activity on the Pacific Coast last year greatly increased meat needs, and Pacific Coast slaughterers were given additional sheep and lamb quotas. While no slaughter quotas are in effect at the present time, the other factors will be in operation and will limit shipments of lambs to the East this year.

In the Pacific Coast States and Arizona, feed supplies and the weather up to March 1 were more favorable for early lambing, and development of the lamb crop was better than last year in each State but California. In general, the winter was mild and open, and good utilization of pasture and range feed was possible. In California, delayed winter rains resulted in the slow development of new green feed, and heavy feeding of concentrated feeds was necessary. The present outlook is for a rather large proportion of feeder lambs in California from this Spring's crop.

In Oregon, Washington, and Idaho, conditions were quite favorable for early lambing. A larger number of lambs per 100 ewes was saved this spring than last, but ewe numbers were down sharply, so the total crop will be reduced.

The number of early spring lambs in Texas will be considerably smaller than last year. A smaller proportion of the ewes was bred for early lambing this year than last, and there are fewer sheep in Texas than a year ago. Winter range feed was poor and concentrates were scarce. Ample spring moisture has greatly improved the outlook for the development of spring lambs.

In Tennessee, Kentucky, and Virginia, reductions in ewe numbers will be reflected in smaller lamb crops this year than last, even though the proportion of ewes bred for lambing before March 1 was increased.

1/ California, Oregon, Washington, Idaho, Arizona, Texas, Missouri, Virginia, Kentucky, and Tennessee.

Total U. S. Lamb Crop May be Smaller
This Year Than Last

Numbers of breeding ewes over one year old for the country as a whole on January 1, 1944 were down 7 percent from January 1, 1943. If the number of lambs saved per 100 ewes in 1944 is average, the lamb crop would be 4 to 5 percent less than the 1943 crop. The percentage lamb crop was 82 percent last year compared with a 10-year average (1933-42) of 85 percent. In the Western Range States a lamb crop of 77 percent was saved last year, the smallest percentage since 1937. The smaller number of lambs saved last year in the Western Range States was largely the result of causes other than feed and weather. Reports from sheepmen indicated that a shortage of experienced labor at lambing time and a shortage of ammunition to use against coyotes were largely responsible. In the native sheer States a 95 percent lamb crop was reported saved. This is about 4 percent below average and was mainly the result of adverse weather.

Table 2.- U. S. lamb crop by regions, 1935-44

Year	: Ewes 1 year and over on: Lambs saved per 100 ewes: Total number of lambs						: saved		
	: farms and ranches, Jan. 1: Western: Native:						: saved		
	: Western	: Native:	United	: sheep	: Native:	United	: Western:	: Native:	United
	: sheep	: sheep:	States:	: States:	: sheep:	States	: sheep	: sheep	States
	: States 1/:	: States:	States:	: 1/:	: States:	States 1/:	: States:	: States:	States
	: Thous.	: Thous.	: Thous.	: No.	: No.	: No.	: Thous.	: Thous.	: Thous.
1935	: 24,271	11,014	35,285	70	98	79	17,022	10,791	27,813
1936	: 24,554	10,962	35,516	79	95	84	19,336	10,397	29,733
1937	: 24,129	10,584	34,713	77	101	84	18,618	10,657	29,275
1938	: 24,302	10,531	34,833	83	98	88	20,152	10,367	30,519
1939	: 24,487	10,548	35,035	81	97	86	19,846	10,237	30,083
1940	: 24,951	10,986	35,937	83	96	87	20,726	10,541	31,267
1941	: 25,415	11,289	36,704	85	99	90	21,664	11,190	32,854
1942	: 25,075	11,645	37,720	81	99	86	21,053	11,551	32,604
1943	: 26,166	11,556	37,722	2/ 77	2/ 95	2/ 82	2/ 20,137	2/ 10,964	2/ 31,101
1944	2/: 24,377	10,718	35,095						

1/ Includes the 11 Western States, Texas and South Dakota.

2/ Preliminary.

RECENT DEVELOPMENTS

Hog Slaughter a Record in February

Federally inspected hog slaughter in February totaled 7.4 million head, 6 percent less than the record slaughter of 7.8 million in January but 70 percent greater than in February 1943. Indications are that March slaughter will be unusually heavy this year.

Emergency Support Program for Heavy Hogs Terminated;
Farmers' Permits to Slaughter No Longer Required

Beginning April 15, hog support prices will apply to Good and Chocie barrows and gilts weighing 200-270 pounds. In Amendment 13 to FDO 75 dated March 18, 1944, the War Food Administration announced the termination of the emergency support-price programs covering weight ranges from 270-300 pounds which went into effect December 23, and on 300-330 pounds effective January 27. The support-price range was extended to cover hogs weighing over 270 pounds as an emergency measure, to protect growers who were forced to feed hogs to weights heavier than the support-weight range, when marketing and processing facilities were congested last winter.

Farmers were required to obtain permits to make off-farm deliveries of pork from April 1, 1943, to November 17, 1943. After November 17 there was a suspension of farmers' permits to slaughter for 3 months; this was later extended for one month. The War Food Administration has now extended indefinitely the period in which farm slaughterers of hogs can deliver pork to persons not living on their farms without a permit or license. Ration points must be collected, however.

Cattle Slaughter Also a Record; Sheep and Lamb
Slaughter About the Same as Last Year

Federally inspected cattle slaughter of 1.0 million head in February was down 9 percent from January but was 22 percent above February 1943 and was the largest cattle slaughter on record for the month. March slaughter of cattle is expected to total about the same as in February. With a few exceptions, cattle prices have made slight upward advances from the first of the year and now are at the highest levels for the year to date. However, the top price on steers at Chicago has been steady for many weeks at \$17.

Calf slaughter in federally inspected plants in February totaled 441,000 head, 6 percent below January slaughter but 33 percent above slaughter in February 1943. Early reports indicate that March slaughter of calves will be slightly greater than in February.

Federally inspected slaughter of sheep and lambs was 1.5 million head in February, 22 percent less than in January but slightly greater than slaughter in February 1943. The percentage of mature sheep in January and February slaughter continued unusually large. Slaughter of lambs and yearlings also was large, apparently reflecting an earlier-than-usual movement of fed lambs to market.

Cold Storage Space Crowded; Stocks
Increased in February

The net piling freezer space of commercial cold-storage warehouses and meat-packing plants was reported to be 92 percent occupied on March 1 compared with 89 percent on February 1. Total stocks of meat

and offals in cold storage were almost 1.3 billion pounds, an increase of 18 percent from stocks on February 1 and 49 percent above the March 1 average for the previous 5 years. Lamb and mutton stocks decreased 7 percent in February, while storage of other meats increased. The percentage increases in stocks from February 1 to March 1 were: Beef 14, pork 23, and trimmings and edible offal 6.

Large amounts of lard were accumulated in cold storage during January and February as a result of the very large slaughter of hogs in those months. Stocks of lard and rendered pork fat on December 1, 1943 were 131 million pounds. On February 1, stocks totaled 248 million pounds, and on March 1 they were 354 million pounds. Of this quantity 200 million pounds were owned by War Food Administration. To facilitate the movement of lard into consumption, the War Food Administration and Office of Price Administration took the following action in February and early March:

- (1) Soap manufacturers were allowed to purchase 50 million pounds of federally inspected rendered pork fat for use in their products before June 30, 1944; an additional 50 million pounds of lard were allowed for March delivery to soap makers.
- (2) The allocation of lard to civilians was increased 50 million pounds in March. In order to move this amount of additional lard in civilian channels, OPA announced on March 3, 1944, that the point value on lard would be zero.

Western Cattle and Sheep Have Wintered
in Average Condition; Range
Conditions Average

Cattle have wintered in fair to good condition in the Western Range States. Death losses this winter have been light except in a few local areas. Sheep have come through the winter in slightly below average condition in the 17 Western States. Generally, ewe bands are in poorer condition than a year ago in Montana, the Dakotas, Wyoming, New Mexico, Colorado, and Utah. In the Southwest, the condition of sheep has improved in the past month, after unfavorable pasture conditions early in the winter as a result of insufficient moisture.

The condition of range feed in the Western States was reported to be average on March 1. Range and pasture conditions improved greatly during February in Kansas, Oklahoma, Texas, and New Mexico. Concentrated feeds were generally in short supply during the winter in the Western States. Carry-overs of hay and grain will be small this spring.

Federal Meat Inspection Required of Meat Packers
Slaughtering 52 or more "Army Style"
Cattle per Week

Food Distribution Order No. 75.2 (Amendment 7) issued February 22, 1944, effective April 1, requires all cattle slaughterers who slaughter 52 head or more of "Army style" cattle a week to qualify for Federal inspection on all such beef carcasses produced. "Army style" beef is defined as "dressed

steer carcasses weighing 400 to 1,100 pounds or dressed heifer carcasses weighing between 350 and 650 pounds and grading United States Choice, Good, Commercial or Utility."

This order will aid in securing beef for the armed services, War Food Administration and other Federal procurement agencies, as all federally inspected slaughterers are required to set aside for Government purchase at least 50 percent of all Choice, Good, Commercial and Utility beef of steers and heifers that meet Army specifications. Also 80 percent of their production of Canner and Cutter beef is being set aside for purchase by the Government. Under the provisions of Amendment 7 to FDC-75.2, these new plants coming under inspection will be required to set aside 50 percent of their Army beef grading Choice, Good, Commercial and Utility, but will not be required to set aside any of their Canner and Cutter beef. Slaughterers of kosher beef, coming under the order, in the eastern seaboard area from Maryland to Maine are required to set aside 35 percent of their beef slaughter of steers and heifers for Government purchase under a provision of Amendment 7.

Dollars-and-cents Ceiling
Placed on Goat Meat

On March 1, 1944, both wholesale and retail price ceilings were placed on all goat meat by the Office of Price Administration. Prices are set by geographical regions with the same zone boundaries as for beef, veal, lamb and mutton. The new ceilings represent moderate reductions in prices of goat meat in the principal goat meat market area. Goat meat is of commercial importance in Texas, which has at least 75 percent of the 4 million goats in the United States. Goat meat is consumed by Southern European and Mexican people or their descendants in some other Southwestern States and some large cities.

Formerly goat meat prices were controlled by the General Maximum Price Regulation, which froze prices at the retail and wholesale levels at March 1942 highs. Price ceilings varied greatly among dealers. Under the specific dollars-and-cents ceiling prices "carbrito" or "kid" goat meat may sell for a maximum of \$25.00 per 100 pounds wholesale, and 30 cents a pound retail, in the central price zones (Zones 2, 3, and 4). Mature goat may sell at wholesale for \$11.50 per 100 pounds in the same zones, and the most expensive retail cut (loin chops) at 30 cents per pound.

THE WOOL SITUATION

Farm Income from Wool Sets
New High Record in 1943

Cash farm income from shorn wool in 1943, totaling 160 million dollars, was the largest on record, exceeding the 1942 income by 2.7 million dollars. An increase of 1.5 cents in the average price per pound more than offset the decline from 1942 in the quantity produced. The average price of 41.6 cents per pound received by farmers in 1943 was the highest since 1920.

Production of wool, both shorn and pulled, totaled 448 million pounds in 1943, about 11 million pounds or 2 percent below the record production of

1942 and 8 million pounds smaller than in 1941, but larger than for any other year. Shorn wool production totaled 384 million pounds in 1943 compared with 392 million pounds in 1942. Although inspected slaughter of sheep and lambs in 1943 was the largest on record, the production of pulled wool, based on reports from pullers, is estimated at 63.6 million pounds, about 3.1 million pounds smaller than in 1942. The small quantity of wool pulled relative to the heavy slaughter indicates that the number of pelts diverted to the production of shearlings was even larger in 1943 than in 1942.

Because of a 7 percent reduction in sheep numbers on January 1, farmers probably will have less wool to sell in 1944 than in 1943. The Government purchase program for wool begun in 1943 probably will be continued this year along much the same lines as last year.

Table 3.- Wool: Production, price and cash farm income, United States 1937-43

Year	Shorn wool			Pulled wool		
	Sheep : shorn	Weight : per fleece	Produc- : tion	Price : per pound	Cash : income	produc- : tion
	1,000 head	Pounds	pounds	Cents	dollars	pounds
1937	44,444	8.04	357,454	32.0	114,234	66,200
1938	45,030	8.02	361,180	19.1	69,156	64,500
1939	45,428	8.01	363,716	22.3	81,108	64,500
1940	46,645	8.03	374,564	28.3	106,171	62,000
1941	48,130	8.11	390,568	35.5	138,656	65,800
1937-41 av. ...	45,935	8.04	369,496	27.4	101,855	64,600
1942	49,784	7.88	392,373	40.1	157,235	66,700
1943	48,573	7.91	384,378	41.6	159,953	63,600

Income from Mohair in 1943 Exceeded
Only by 1941 Record Income

Production of mohair in 1943 in the seven principal producing States is estimated at 20.2 million pounds. The 1943 production was 2 percent smaller than that of 1942 and was the smallest since 1939. Estimated income from mohair in 1943 totaled 11.5 million dollars, second only to the record income of 12.4 million dollars in 1941. The average price received by growers was 57.1 cents a pound in 1943, compared with 49.3 cents in 1942 and 57 cents in 1941. Shearing of the 1944 spring clip has begun in Texas. Early in March, some purchasing was reported at 58 cents a pound for adult hair and 78 cents for kid hair.

Table 4.- Mohair: Production, average price and farm income, principal producing States, 1937-43

Year	Goats clipped 1/ head	Average clip per goat Pounds	Production pounds	Price per pound Cents	Cash income dollars
1937	3,774	4.4	16,528	54.0	8,918
1938	3,918	4.3	16,827	34.8	5,863
1939	4,068	4.6	18,785	47.3	8,882
1940	4,297	4.9	21,144	49.7	10,504
1941	4,544	4.8	21,777	57.0	12,422
1937-41 av.	4,120	4.6	19,012	48.6	9,318
1942	4,330	4.8	20,721	49.3	10,222
1943	4,284	4.7	20,196	57.1	11,535

1/ In States where goats are clipped twice a year the number clipped is the sum of goats and kids clipped in the spring and of kids clipped in the fall.

WORLD WOOL STOCKS, 1943-44 1/

Wool Production Maintained at High Level During War Years

World production of wool has been maintained at a relatively high level during the war. Annual production from 1939 through 1943 averaged approximately 4,140 million pounds (grease basis) compared with the pre-war average (1934-38) of 3,720 million pounds. In many deficit-producing areas of the Northern Hemisphere, special measures were taken to stimulate wool production during the war. In the surplus-producing areas of the Southern Hemisphere, wool production was stimulated by the relatively high prices received for wool during the early years of the war, and by the guarantee of a market for the entire production in British Empire countries.

The Southern Hemisphere is of particular importance in the world supply situation. This is the principal surplus-producing area. Australia, New Zealand, South Africa, and South America together produce about 3/5 of the world clip. Of the wool produced in these countries, 90 percent is usually exported to deficit-producing areas of the Northern Hemisphere. Wool production in Southern Hemisphere countries averaged 2,440 million pounds a year in the 5 years 1939-43, compared with the pre-war (1934-38) average of 2,120 million pounds. Production for 1943 is estimated at 2,420 million pounds. Production has been larger in all Southern Hemisphere countries during the war than in the pre-war years.

1/ Disposal of surplus wool stocks after World War I was discussed in some detail in the January and February 1944 issues of this report, the January issue being devoted to domestic wool stocks and the February issue to Southern Hemisphere stocks.

Estimated wool production in Northern Hemisphere countries averaged 1,700 million pounds a year during the 5 years 1939-43, compared with the pre-war average of 1,600 million pounds. Most of the increase in production in Northern Hemisphere countries came during the first 2 years of the war.

Wool Consumption Curtailed in German
and Japanese-Controlled Areas:

Increased in United Nations

World wool consumption has been sharply curtailed during the war because important consuming countries in Europe, and Japan, have been unable to obtain wool supplies from the Southern Hemisphere. All of the Axis-controlled countries are deficit-producing countries. From 1934 to 1938 they consumed about 1.6 billion pounds of wool a year (grease basis), almost half of the world's consumption. They produced only 0.4 billion pounds a year, importing the balance of more than a billion pounds annually, chiefly from Southern Hemisphere countries. Small quantities have been shipped from the Southern Hemisphere to Sweden, Switzerland and a few other neutral countries during the war years, but the quantities are insignificant compared with wool imports into Europe in pre-war years.

Consumption of wool has increased sharply in the United States as a result of large military requirements. Mill consumption of apparel and carpet wool for the 5 years 1939-43 averaged almost a billion pounds a year compared with the 1934-38 average of 650 million pounds. During the last 3 years consumption has exceeded 1.1 billion pounds a year. Mill consumption of foreign wool averaged close to 500 million pounds a year from 1939 through 1943, compared with the pre-war average of about 200 million pounds. Consumption also increased sharply in the United Kingdom in the early part of the war, but the increase has not been maintained, because of the shift of many workers from the textile industry to more critical war industries.

Consumption has increased during the war in most of the Southern Hemisphere countries and in Canada. In pre-war years these countries depended to a large extent upon imports of manufactured wool products from the United Kingdom. The diversion of labor has forced the United Kingdom to curtail exports during the war, and the textile industries in Canada, Argentina, and Australia have been expanded to supply a larger part of home requirements.

Table 5.- Wool, grease basis: Pre-war (1934-38) production and apparent consumption and 1939-43 production, specified areas

Country or area	:Apparent: :consump- :tion 1/ :						Production 2/	
	: 1934-38:	: 1934-38:	: 1939-43:	: 1941 :	: 1942 :	: 1943		
	: average:	: average:	: average:	: 1941 :	: 3/ :	: 3/		
	: Million	: Million	: Million	: Million	: Million	: Million		
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds		
Southern Hemisphere surplus- :								
producing countries: :								
Australis	98.0	995.3	1,126.0	1,130.0	1,120.0	1,110.0		
New Zealand	7.0	299.3	327.0	345.0	340.0	310.0		
South Africa	---	238.6	257.0	260.0	260.0	250.0		
Argentina	59.0	370.4	488.0	494.0	518.0	510.0		
Uruguay	4.0	118.0	130.0	117.0	124.0	136.0		
Other	52.0	98.4	112.0	104.0	103.0	104.0		
Total Southern Hemisphere ...	220.0	2,120.0	2,440.0	2,450.0	2,465.0	2,420.0		
Northern Hemisphere deficit- :								
producing countries: :								
Continental Europe -- :								
France	424.0	37.9	31.6	30.0	28.2	28.2		
Germany and Austria	342.0	36.1	50.1	50.0	53.0	56.0		
Belgium	122.0	.8	.8	.8	.8	.8		
Italy	124.0	37.7	41.1	41.5	42.0	40.0		
Other (excluding Russia) :	394.0	288.5	280.1	277.8	273.8	264.5		
Total	1,406.0	401.0	403.7	400.1	397.8	389.5		
Japan	204.0	---	---	---	---	---		
United States	650.0	425.1	445.4	456.4	459.1	448.0		
United Kingdom and Ireland :	664.0	125.2	114.1	108.2	104.0	103.3		
Russia	270.0	210.0	294.0	340.0	270.0	230.0		
Total Northern Hemisphere 4/ :	3,460.0	1,600.0	1,700.0	1,750.0	1,655.0	1,610.0		
Estimated world total	3,680.0	3,720.0	4,140.0	4,200.0	4,120.0	4,030.0		

1/ Based on estimates of apparent supplies in "World Consumption of Wool, 1938", Imperial Economic Committee, London. Estimates are in "actual weight" but consist mostly of greasy wools.

2/ Estimates of the Office of Foreign Agricultural Relations. The estimates were compiled from official sources or reliable commercial sources or made on the basis of exports or sheep numbers and other available information.

3/ Preliminary.

4/ Includes estimates for countries not listed.

Stocks Large in Southern Hemisphere
Producing Countries

The increase in wool consumption in the United Nations and in neutral nations during the war has not been as large as the pre-war consumption in German and Japanese-occupied countries, and stocks of wool have accumulated in Southern Hemisphere producing countries and in the United States. Carry-in stocks of wool in the five principal Southern Hemisphere producing countries totaled about 1.8 billion pounds (grease basis) at the beginning of the 1943-44 season ^{1/} compared with average carry-in stocks of about 200 million pounds for the pre-war years 1934-38. The largest stocks, 1.4 billion pounds, were held in the British Empire countries, Australia, New Zealand, and South Africa. Stocks held in Argentina and Uruguay on October 1, 1943, (beginning of the 1943-44 season in those countries) totaled about 430 million pounds. A part of the wool held in South America had been sold to the United States and to European countries, and was waiting shipment.

Mill consumption in the United States and the United Kingdom probably has passed the wartime peak and there is little prospect for a further increase in import requirements of these countries. Exports from most Southern Hemisphere countries in the current season to date appear to be smaller than the average exports for the corresponding periods of the last few seasons, and a further accumulation of stocks is in prospect during the 1943-44 season.

Greater Part of Southern Hemisphere Stocks
Owned by British Government

All of the carry-in of wool in Australia, New Zealand, and South Africa is owned by the British Government. These stocks constituted about three-fourths of the Southern Hemisphere carry-in at the beginning of the 1943-44 season. Further accumulations in these countries will also be owned by the British Government. Shortly after the war began in 1939 the British Government agreed to purchase the entire production of Australia and New Zealand during the war and for one wool year after the war ends. In 1940, the agreement was extended to South Africa. Wool is sold at fixed prices by the Wool Control to local mills and to mills in the United Kingdom. Wool is also sold to commercial firms in the United States and in a few other approved countries. Shipments have been much less than production, however, and the British Government now owns large stocks of wool which are stored in the producing countries of the Southern Hemisphere. No estimate of the amount of wool stored in the United Kingdom is available.

Stockpile Wools Stored in United States

In addition to the wool stored in Australia, New Zealand, and South Africa, nearly 785 million pounds of Southern Hemisphere wool were stored in

^{1/} Season begins July 1 in Australia, New Zealand, and South Africa; October 1 in Argentina and Uruguay.

the United States at the end of 1943 by the United States and British Governments. This wool had been shipped to the United States and stored near consuming centers, as a strategic reserve, when it was feared that submarine action in the Atlantic and the spread of war to the Pacific might restrict imports and result in a shortage of wool for essential requirements in the United States and the United Kingdom. About 330 million pounds of this "stockpile" were owned by the United States Government. The remainder was owned by the British Government.

Auction sales for the disposal of the stocks of foreign wool owned by the United States Government were begun at Boston in February 1944. About 30 million pounds were sold at the first two series which were held on February 17-18 and March 9, and a gradual liquidation of the stockpile is expected. These wools will probably displace private imports of wool to some extent. United States mills used more than 600 million pounds of foreign wool in 1943, all of which was supplied by private imports by dealers and mills.

United States Government Buying Domestic Clip

A Government purchase program for domestic wool was set up in the United States in April 1943. Large purchases of 1943 wools were made by mills and dealers before the Government program went into effect and privately held stocks of domestic wool were available during most of 1943. Such stocks are now small. Practically all of the 1944 production probably will be purchased by the Commodity Credit Corporation.

The Commodity Credit Corporation purchased about 265 million pounds of domestic wool from the 1943 clip. Sales from the 1943 clip totaled approximately 80 million pounds as of March 11, 1944. Unsold stocks on March 11, 1944, totaled about 185 million pounds. Because Commodity Credit Corporation stocks are offered to mills at ceiling prices which are considerably higher than prices of comparable foreign wools, little domestic wool has been used in civilian fabrics in recent months. Use of domestic wool is required in most Army fabrics, but production of these fabrics has been declining.

Privately Owned Stocks of Wool in United States on January 1, 1944, Smaller Than a Year Earlier

Privately owned stocks of domestic and foreign apparel wool held by United States dealers and manufacturers on January 1, 1944 totaled about 320 million pounds, grease basis, compared with 390 million pounds at the beginning of 1943, and 290 million pounds at the beginning of 1942. Privately owned stocks of domestic wool totaled 113 million pounds on January 1, 1944, and 209 million pounds a year earlier. Dealers held 52 million pounds and manufacturers held 61 million pounds on January 1, 1944. At the end of 1942 manufacturers held 147 million pounds of domestic wool. With the shift in mill consumption to foreign wools during the latter part of 1943 mills reduced their inventories of domestic wool and in recent months have been buying such wools only for immediate requirements.

Stocks Small in Axis Countries;
Post-war Requirements Large

Continental European countries and Japan probably are without any appreciable stocks of raw wool at the present time. The relatively small quantities produced locally or available from adjacent areas are insufficient for minimum military needs. As long ago as 1942, the lack of wool in Axis countries led to appeals to the civilian population to turn in wool blankets and clothing for Army use. The long war undoubtedly has depleted supplies of manufactured wool products as well. When the war ends, the need for replacements will be great. Before these countries can resume their pre-war position as important manufacturing and consuming centers, inventories must be built up at every step of the manufacturing and distributing process.

Resumption of activity in the textile industries will be hindered by lack of purchasing power and by the need for replacing and reconditioning textile machinery. As the industries are restored, however, a considerable amount of wool will be shifted from Southern Hemisphere centers to fill up the void in consuming centers. Some idea of the size of requirements on the basis of a pre-war consumption of 1.5 billion pounds a year may be gained from the size of raw wool inventories maintained by United States dealers and mills. Such inventories as of April 1 (the low point for the season) averaged about 40 percent of annual mill consumption in the 5 years 1935-39. No data are available as to the amount of raw wool represented by inventories of wool tops, yarns, fabrics and clothing which must be built up by mills, wholesalers, jobbers and retailers before the finished product is supplied to civilian consumers.

Table 6.- Stocks of apparel and carpet wool held by dealers and manufacturers, grease basis, United States, 1937-43 1/

Year and date	Apparel wool						Carpet wool
	Domestic		Foreign				
	Dealers	Manufac- turers 2/	Dealers	Manufac- turers 2/	Total		
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	
December 31							
1937	134,623	66,037	14,355	23,213	238,228	59,866	
1938	116,635	82,225	16,036	15,329	230,225	33,524	
1939	44,051	81,491	20,522	31,227	177,291	37,971	
1940	35,055	86,991	23,822	47,973	193,841	35,291	
1941	59,671	110,499	27,511	92,752	290,433	55,723	
By quarters							
1942							
Apr. 4	52,239	88,712	3/64,529	3/209,909	3/415,389	4/	
July 4	181,145	130,905	5/58,706	5/235,983	5/615,739	6/29,583	
Oct. 3	122,202	165,327	5/79,368	5/200,206	5/567,103	6/37,975	
Dec. 26	61,778	146,963	7/62,517	7/122,225	7/393,483	70,245	
1943							
Mar. 27	38,674	83,920	31,802	102,902	257,298	66,358	
June 26	215,955	103,579	39,044	154,473	513,051	53,308	
Sept. 25	8/208,804	92,152	71,969	170,574	543,499	48,309	
1944							
Jan. 1	8/223,459	61,063	77,391	128,255	490,168	42,045	

1/ Includes domestic wool held by the Commodity Credit Corporation but excludes foreign wool held by the Defense Supplies Corporation.

2/ Includes topmakers.

3/ Includes carpet wool which was not separately reported.

4/ Included with apparel wool.

5/ Includes some carpet wool. Many types of carpet wool were classed as "fine carpet wool" in July and October 1942 and were reported with apparel wool to conform with Wool Conservation Order M-73. Because of the changes in classification, 1942 figures are not comparable with those of other years.

6/ Coarse carpet wool.

7/ Includes a small quantity of fine carpet wool.

8/ Includes stocks held for the Commodity Credit Corporation.

Prices per pound of wool and other textile raw materials in
the United States, selected periods, 1941-44

Item	Average			1943		1944	
	1941	1942	1943	Feb.	Dec.	Jan.	Feb.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Boston market -							
Territory, scoured basis -							
64s, 70s, 80s (fine) staple							
combing	108.8	119.1	117.8	119.0	117.8	119.0	119.0
56s, (3/8 blood) combing	91.2	102.6	104.2	103.5	104.5	104.5	104.5
46s (low 1/4 blood)	82.3	90.7	93.7	94.0	92.0	92.0	92.0
Bright fleece, greasy -							
64s, 70s, 80s (fine) delaine	43.1	47.2	46.9	47.0	47.0	47.0	47.0
56s (3/8 blood) combing	46.8	51.8	54.2	53.0	54.5	54.5	54.5
46s (low 1/4 blood)	46.5	49.8	52.0	51.5	53.5	53.5	53.5
Foreign wool - in bond at							
Boston 1/ -							
Sydney - scoured basis -							
64s, 70s, good combing	72.7	78.1	76.5	76.5	76.5	76.5	76.5
Cape - scoured basis -							
12 months, combing	70.9	75.6	75.5	75.5	75.5	75.5	75.5
Montevideo - grease basis -							
Merinos (60-64s)	40.4	43.0	41.4	39.5	40.7	39.8	40.5
1s (56s)	38.6	42.5	41.4	39.5	40.7	39.8	40.5
Prices received by farmers,							
grease basis, 15th of month	35.5	40.1	41.6	40.8	40.5	40.2	39.5
Textile fibers:							
Wool, territory fine staple 2/	108.8	119.1	117.8	119.0	117.8	119.0	119.0
Cotton, 15/16-inch Middling 3/	13.9	19.3	20.6	20.7	19.7	20.2	20.8
Rayon yarn, 150 denier 4/	53.6	55.0	55.0	55.0	55.0	55.0	55.0
Rayon staple fiber 5/							
Viscose 1-1/2 denier	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0

Compiled from reports of the War Food Administration except as otherwise noted.

1/ Before payment of duty. Compiled from The Commercial Bulletin, Boston.

2/ Scoured basis, Boston market.

3/ Average at 10 markets.

4/ Domestic yarn, first quality, Bureau of Labor Statistics.

5/ F.o.b. producing plants, Bureau of Labor Statistics.

**Livestock: Marketings and slaughter statistics, by species,
February 1944, with comparisons**

Item	Unit	Annual totals			1943:		1944	
		1941	1942	1943	Feb.:	Jan.:	Feb.	
Cattle and calves -								
Number slaughtered under								
Federal inspection:								
Steers	Thous.	5,459	6,019	5,737	448	548		
Cows and heifers	"	4,992	5,854	5,516	375	559		
All cattle	"	10,946	12,347	11,727	854	1,141		1,043
Percentage cows and heifers								
are of total cattle	Pct.	45.6	47.4	47.0	43.9	49.0		
Calves	Thous.	5,461	5,760	5,209	331	468		441
Average live weight:								
Cattle	Lb.	961	954	955	981	969		
Calves	"	196	208	207	176	191		
Total dressed weight:								
Cattle	Mil. lb.	5,739	6,347	5,970	458	582		
Calves	"	599	667	597	32	49		
Shipments of feeder cattle and								
calves to eight Corn Belt								
States 1/	Thous.	2,395	2,564	2,363	85	92		71
Hogs -								
Number slaughtered under								
Federal inspection	"	46,520	53,897	63,431	4,335	7,839		7,380
Average live weight	Lb.	241	245	254	252	249		
Percentage packing sows are of								
all purchases at seven markets:	Pct.	11	13	15	6	8		6
Total production under								
Federal inspection:								
Pork	Mil. lb.	6,345	7,562	9,308	638	1,112		
Lard 2/	"	1,526	1,724	2,080	137	266		
Average yield per hog:								
Pork	Lb.	136.8	140.6	147.1	147.5	142.1		
Lard 2/	"	32.9	32.1	32.9	31.8	34.0		
Storage stocks end of month:								
Pork	Mil. lb.	---	---	---	627	644	3/	793
Lard 2/	"	---	---	---	122	246	3/	354
Sheep and lambs -								
Number slaughtered under								
Federal inspection	Thous.	18,125	21,625	23,363	1,499	1,933		1,501
Average live weight	Lb.	88	89	91	94	93		
Total dressed weight	Mil. lb.	750	880	958	63	82		
Shipments of feeder lambs to								
eight Corn Belt States 1/	Thous.	3,689	3,980	4,240	191	129		99
Total dressed weight of live-								
stock slaughtered under								
Federal inspection	Mil. lb.	15,523	17,821	19,686	1,380	2,189		

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska.

2/ Including rendered pork fat.

3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species,
February 1944, with comparisons

Item	1943		Feb.		1943	1944	
	annual		1942		Dec.	Jan.	Feb.
	average	average					
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first:							
hands at Chicago:							
Choice and Prime	16.23	10.38	13.79	16.44	16.21	16.35	16.41
Good	15.34	8.86	12.47	15.53	14.89	15.00	15.12
Medium	14.01	7.56	10.88	14.11	12.78	12.94	13.44
Common	11.66	6.40	9.22	12.36	10.71	10.84	11.53
All grades	15.30	8.39	12.39	15.14	14.87	14.82	14.91
Good grade cows at Chicago ..	12.98	5.82	9.31	13.20	11.50	12.00	12.54
Vealers, Good and Choice at :							
Chicago	15.18	9.19	14.06	16.40	14.15	14.25	14.19
Stocker and feeder steers at :							
Kansas City	12.35	6.90	10.69	13.49	11.29	11.60	12.95
Average price paid by							
packers:							
All cattle	12.22	6.35	10.17	13.00	11.02	11.43	
Steers	1/	1/	11.51	14.39	13.86	13.50	
Calves	12.28	7.52	11.70	13.84	11.21	11.88	
Hogs -							
Average market price at :							
Chicago:							
Barrows and gilts	14.49	1/	12.65	15.38	13.55	13.51	13.64
Sows	13.71	1/	11.93	15.07	12.37	11.96	12.55
All purchases	14.31	6.95	12.58	15.35	13.35	13.21	13.50
Average price paid by packers:	14.11	6.79	12.38	15.07	13.14	12.98	
Average price No. 3 Yellow :							
corn at Chicago 2/	104.6	59.1	81.9	97.0	3/ 115.5	114.2	114.6
Hog-corn price ratio at :							
Chicago 4/	13.7	12.3	15.4	15.8	11.6	11.6	11.8
Sheep and lambs -							
Slaughter lambs, Good and :							
Choice grade at Chicago	14.95	8.69	12.09	15.90	14.55	15.52	16.32
Feeding lambs, Good and :							
Choice grade at Omaha	13.22	4.50	10.92	14.26	11.65	12.50	13.27
Ewes, Good and Choice grade :							
at Chicago	7.44	7.66	6.50	8.58	6.71	7.73	8.50
Average price paid by packers:							
for sheep and lambs	12.20	8.19	11.35	14.41	11.67	13.27	
Index retail meat prices 5/ ..	115.0	76.9	101.9	117.0	112.6	112.7	
Index income of industrial :							
workers 6/	239	73	162	225	248	248	

1/ Not available. 2/ Cents per bushel. 3/ Represents ceiling price. 4/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics, 1924-29 = 100. Revised March 1943.

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